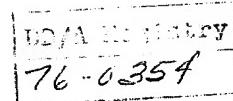


DD/A Registry

File Approp Budget

JAN 1976



MEMORANDUM FOR: Director of Communications

THROUGH: Deputy Director for Administration

SUBJECT: Supplementary Schedule for the FY 1977
Congressional Budget - Office of
Communications

REFERENCE: OC-M-76-006, dtd. 5 Jan 76, Same Subject

Your excellent paper summarizing the history of [REDACTED] CIA STATINTL communications and reasons therefor along with funding alternatives has been reviewed by this office. Rather than forwarding the paper to the House Appropriations Committee as you suggested, I recommend it be held for review by the HAC Surveys and Investigations Staff when it is ready to undertake its detailed study of this complex issue.

7c/ John D. Iams

JOHN D. IAMS
Comptroller

cc: DDA

DD/A Comment to D/OC: Bill: Jack Iams' thought appears to make sense. O.K? /s/Jack Blake, 26 Jan 1976
Distribution:

Orig RS - D/OC w/Orig of Att (this memo)
1 RS - DD/A Subject w/cy of Att
DD/A:JFBlake:der (26 January 1976)

~~SECRET~~OC-M-76-006
5 JAN 1976

MEMORANDUM FOR: Comptroller *JH/10*

THROUGH : Deputy Director for Administration *JH/10* 7 JAN 1976

SUBJECT : Supplementary Schedule for the FY-1977
Congressional Budget - Office of
Communications

REFERENCE : Comptroller/Chief, Analysis Group
Memorandum, dated 18 December 1975

1. In response to paragraph 3 of Tab A, reference, OC has prepared the attached paper, along with a proposed draft of a Supplementary Schedule for inclusion in the FY-1977 Congressional Budget.

2. It is suggested that we consider forwarding the attached paper to the House. However, OC defers to the judgement of the Comptroller in this regard.

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[REDACTED]
Director of Communications

Attachments:
As stated

E3 IMPDET
CL BY SIGNER~~SECRET~~

S E C R E T

ATTACHMENT

31 December 1975

Communications - Data on CustomersI. INTRODUCTION

Questions often arise as to the reasons for the CIA being involved in the handling of communications for other agencies, and the amount of effort and resources the CIA expends to provide such support.

The following summarizes the history and statistics involved.

II. HISTORY

Immediately following World War II the predecessor organizations of CIA established austere communications facilities overseas for handling intelligence communications requirements. As the responsibilities of the Agency grew over the ensuing years, Agency communications capabilities expanded and modernized gradually into what is now a worldwide message network performing as its primary functions the handling of all types of Agency traffic and providing covert communications for Agency operations and intelligence gathering.

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E3 IMPDET
CL BY 059554

S E C R E T

25X1C

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S E C R E T

FISCAL YEAR

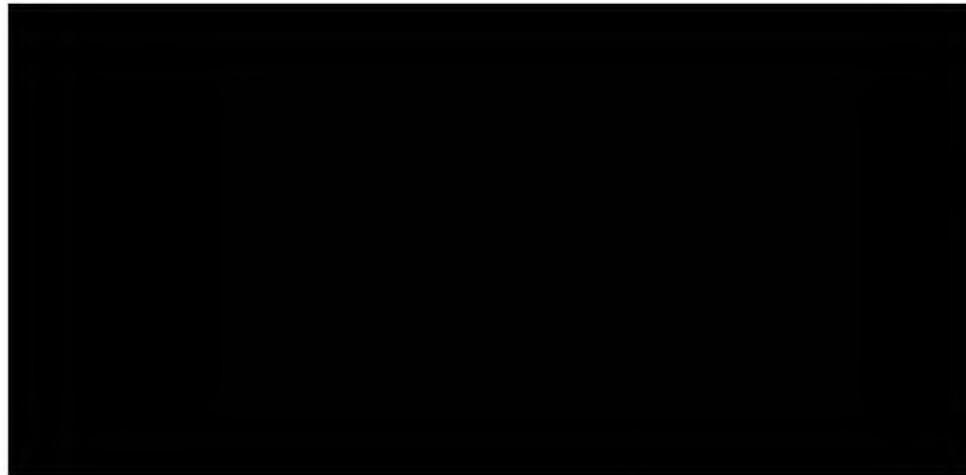
1972

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1973

1974

1975

IV. THE FUTURE

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A major element in the planning for the future of the Agency's communications system is conversion of the bulk of the network to satellite communications, using the [REDACTED]. This program is already well underway, and by the early 1980's we plan to have the conversion completed. This program offers significant advantages to the U.S. Government. First, it will reduce our reliance on large relay stations located on foreign soil. These installations increasingly become of political concern and their tenability becomes more questionable each year. Although it is intended to retain these relay stations to handle certain requirements, they will be austereley manned and consequently, the profile of these installations will be lowered considerably. Second, reduced manning levels at relay stations will result in significant personnel savings. Third, savings in annual recurring leased line costs will be realized. Finally, the satellite system will provide more communications capability for the Agency, and for its non-Agency customers if needed.

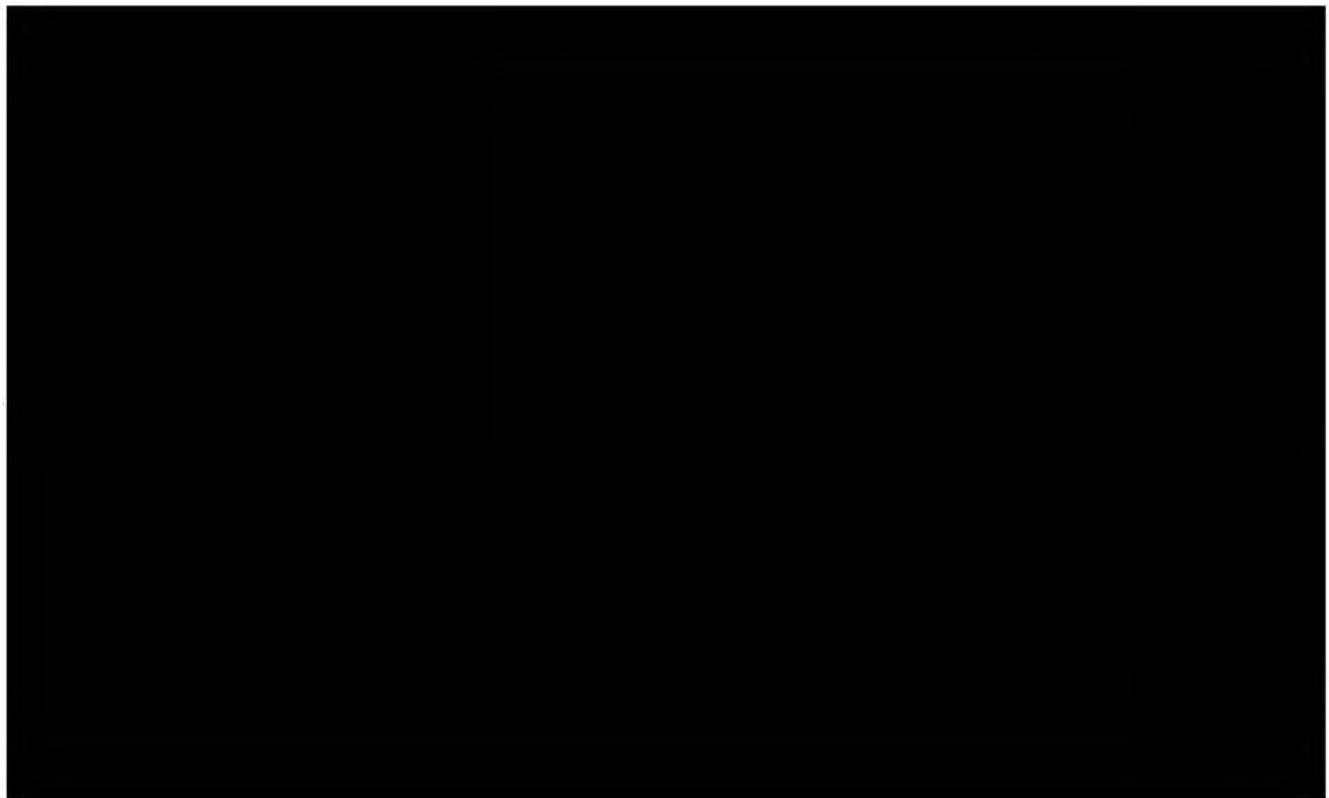
V. THE OFFICE OF COMMUNICATIONS BUDGET AND STAFFING

On the surface it appears that the Office of Communications budget has increased significantly over the past decade. An FY-1975 study revealed that after adjustments for comparability purposes (transfers of functions in and out of the Office), the OC budget increased from

S E C R E T

S E C R E T

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VI. ALLOCATION OF RESOURCES

Operation and management of the Office of Communications are budgeted in a manner consistent with Agency needs. Budget execution is performed and monitored in the most efficient, economical means available. Thus, it is not possible to accurately segregate resources solely for overseas operations as opposed to those needed solely for activities at Headquarters and, to a limited degree, for the [REDACTED] simply because far more extensive record-keeping would be necessary. An attempt is made, however, to present herein an approximation on how the Office's resources are consumed.

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1. Identifiable Overseas Expenses

Operation and maintenance of the worldwide message network consumes the bulk of resources allocated to the Office. Using the FY-1977 Congressional Budget, the expenses clearly identifiable as being exclusively attributable to the network operation amount to approximately

S E C R E T

Next 4 Page(s) In Document Exempt

18 December 1975

MEMORANDUM FOR: Group Chiefs, O/Comptroller

SUBJECT: Congressional Directives for CIA FY 76
and 7T Budgets

REFERENCE

return
to
ODA/PLANS

1. Attached is a summary of (15) Congressional Directives on the FY 76 and 77 budgets. As you know, the FY 1977 Congressional Budget will include a supplementary schedule listing directives and briefly describing CIA's responses. (See Tab A w/sample page attached.)
 2. I would appreciate your assistance in drafting the responses for the supplementary schedule. Tab B attached shows our suggestions on the allocation of responsibilities; feel free to offer counterproposals.
 3. Drafts should be given to [REDACTED] as soon as possible and no later than 7 January 1976.

25X1A

-25X-1A

Chief, Analysis Group

Attachments: As stated

Distrib:

- 1 - D/Compt: Compt: BMG
1 - ea Group Chief
1 - AnG Chrono
1 - AnG Cong Budget File

25X1A O/Compt/AnG: [REDACTED]r (18 Dec 75)

3 : 38572

Next 1 Page(s) In Document Exempt

17 December 1975

CONGRESSIONAL DIRECTIVES

Summary of Congressional Directives on the CIA Budget
for FY 1976 and 1977 and the CIA responding actions*

| Letter Language | Actions Taken or Pending to Comply with Letter Language |
|--|--|
| 10. The House letter (p. 25) indicates that all administrative costs for the Voluntary Investment Program (VIP) should be borne wholly by its members. | 1. The CIA Management Committee directed the Comptroller and the Director of Personnel to study and make recommendations for levying appropriate charges to members. The amount of charges were based on actual costs expected to be incurred by the Agency in connection with VIP. Their recommendation that \$ _____ be charged for FY 1976 was approved by the Committee. VIP members were notified of the new charges, and payroll deductions were effective 1976. |

*Directives from House Appropriations Committee Letter of 25 September 1975 and Conference Action of _____ 1975.

CONGRESSIONAL DIRECTIVES
AND SUGGESTED ALLOCATION OF RESPONSIBILITIES

| <u>Congressional Directives</u> | <u>Suggested Responsibility</u> |
|---|---------------------------------|
| 1. Reprogramming stipulations | BMG |
| 2. Reserve Releases | BMG, OG |
| 3. Communications/Cost Transfer | AG |
| 4. SIGINT/Transfer | OG |
| 5. RD&E/Goal Oriented | S&TG |
| 6. Reductions/SEAsia | AnG |
| 7. SAFE Computer System | AG, IG |
| 8. RD&E/Reductions | S&TG |
| 25X1A 9. [REDACTED] /Reimbursement | S&TG |
| 10. VIP/Admin. Costs | AnG |
| 11. Summer Co-ops and Temporaries | AG |
| 12. Inspector General/Strengthen | AnG |
| 25X1A 13. [REDACTED] /more attention | OG |
| 14. Transition Quarter/consistent | BMG |
| 15. Third Party SIGINT | OG |

SECRET

UNCLASSIFIED

Approved For Release 2001/09/04 : CIA-RDP79-00498A000100050046-5

INTERNAL
USE ONLY

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ROUTING AND RECORD SHEET

File *Approp Budget*

SUBJECT: (Optional)

Supplementary Schedule for the FY-1977 Congressional
Budget - Office of Communications

| | | | |
|--|------------|-----------|--|
| FROM: | | EXTENSION | NO. |
| Director of Communications | | | |
| TO: (Officer designation, room number, and building) | DATE | | OFFICER'S INITIALS |
| | RECEIVED | FORWARDED | |
| 1. Deputy Director for Administration | 7 JAN 1976 | 33 | To 3 This paper clearly shows that O/C possesses managerial skill equal to their technical expertise. It is a pleasure to forward it. |
| 2. Thru AR-DD/A | | | |
| 3. To Comptroller | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |
| 8. | | | |

25X1A

To 3:

This paper clearly shows that O/C possesses managerial skill equal to their technical expertise. It is a pleasure to forward it.

/s/Jack Blake

| | | | |
|-----|--|--|--|
| 14. | | | |
| 15. | | | |

FORM 410 USE PREVIOUS REPORT

REPORT

INTERNAL